


EHR recommendation
to David Belin
(1975)
re

The Future of Intelligence

4/25/75

Mr. Belin:

These are strictly personal thoughts
and have no institutional sanctification.


E. H. Knoche

Attachment

25 April 1975

Dear David:

In the attachment, I have put together in a sort of "stream of consciousness" some thoughts about CIA and intelligence representative of my thoughts and feelings.

Ever since the day we first met in mid-January, you have kindly (almost urgently) asked me to feel free to pass along my views. I willingly do so, but not without confessing to biases that may be lacking in the freshness of review by outsiders.

I have been glad to sit at Bill Colby's side to help as best I can to rationalize the Agency (which has been good and challenging to me over the years) and I have been doubly glad to be involved--if only as a facilitator--in the work of the President's Commission. I believe deeply that the Commission's and the Congress's reviews--uncomfortable as they may be to us in CIA--reflect the American system at work and I believe the combined findings will contain solid wisdom.

In summary, and in a nutshell, the following are some of my views and recommendations:

1. Find fault with our transgressions and chart propriety for our future, but please be sure to contrast our historic past (most of it good; a bit of it bad) with the current, since mid-1973. Let us hope we have not lost initiative since mid-1973 (date of the Colby directives), but clearly our house was set in order at that time.

2. Define the purpose and value of intelligence activity. This will help to avoid a tendency perhaps to concentrate on things we cannot do to the detriment of things we must do.

3. Resist the temptation to sketch new plumbing diagrams for the community's organization. If you can develop new philosophy and new boundaries for the intelligence turf, future organizational change will develop naturally. I think it is probably true that enough restructuring will be

necessary to make sure that there is wide perception of the thought that there needs to be a fresh start, under new guidelines and under a new Agency name. "CIA" conjures up all the wrong images.

4. Reach a conclusion on the application of resources within the Agency. Are allocations consonant with current and future priorities?

5. Press home on the nature of the DCI job. Is it really do-able--to be both Community coordinator and head of the Agency. I think not and believe the DCI should be a White House resident. This is an old idea whose time has come.

6. Re-look the DDCI. He must no longer be automatically from the military services. Whatever his origin, he needs to be more deeply involved as true Deputy and Agency administrator.

7. Enhance the Agency's General Counsel and Inspector General functions. Recommend ways to exert greater Executive Department attention to providing new blood and fresh insights by creating incentives for outsiders to move in and out of some top Agency jobs. The lid on executive pay is no help.

8. Redesign PFIAB, to give it a more representational composition and to endow it with a review function to oversee intelligence standards, performance and excesses. Arrange for PFIAB to render an annual, unclassified accounting to the President and perhaps the Congress.

9. Urge OMB to be more assertive in assessing rights and wrongs (as well as dollar levels) in the programs of intelligence agencies.

10. Establish a "40 Committee" for domestic intelligence activities. It can't hurt.

11. An easy one...move for a joint Congressional oversight committee. The present system is manifestly dubious.

12. Reduce CIA's exclusivity and bring it into the fold by taking steps, within security bounds, to normalize the budget process, obtain GAO audits of CIA expenditures, and make the finished intelligence product more generally accessible.

13. Note Director Colby's firm view that strictures against intelligence activities vis-a-vis foreigners and foreign installations in the U.S. will inhibit useful collection and force reliance on far costlier and riskier operations abroad.

14. Help us tighten the law with respect to the protection of intelligence sources and methods.

15. Help us define the limits of security/counter-intelligence investigations concerning Americans, particularly our own employees. Surely some residual of DCI authority in this field should be maintained.

Thanks for listening.

Warm regards,



E. H. Knoche

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ATTACHMENTGeneral

A short-term review, no matter how competent the reviewers, must concentrate on the problems and the questionable activities. This is all to the good and out of it will come fixes and adjustments.

But a concentration on problems can give a shrift too short to the fundamental purposes and values of our intelligence activity.

The problem areas we (and you) have identified are historic and since 1973 or earlier were put behind us. It is my personal view that Bill Colby has much to do with the turn-around. In keeping with the post-Vietnam, post-Watergate climate in this country, it was his internal directives in August 1973, supplemented by more in June 1974, that brought CIA into the new climate with do's and don'ts appropriate to the times. (As I have said to you on earlier occasions, those directives are crucial to a current judgment about the Agency and the propriety of its work. Either Colby brought new light and sanctity to our business or he robbed us of effectiveness. I do not believe any study will be complete without taking a position on this question.)

Read one by one, Colby's '73 and '74 directives are quite simple and seem perhaps even platitudinous. In their entirety, they amount to a new environment--in keeping with the mid-70's, post-Vietnam, post-Watergate climate. They do represent a watershed and investigative reporting should separate historic mis-steps from the modern era dating to August 29, 1973, date of the first batch of Colby directives.

In some of our covert work, there is no question that over the years we have had some "cowboys" who over-stepped some bounds. This has faded in recent times. I for one am confident that the cowboy types can play no damaging role. They are rather easily spotted and dealt with.

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The fundamental purpose and value of intelligence involve the following at a minimum:

- a. providing facts and judgments about foreign situations and prospects so that the Government can make the wisest possible decisions in choosing foreign policy plans to deal with military, political and economic challenges; and
- b. maintaining an ability to carryout duly approved covert political and military activities abroad (it being recognized that the exercise of such activities carry risks of embarrassments that are deemed to be outweighed by risks if a given foreign situation is left unchecked.) Such activities are intended to complement diplomacy while avoiding use of direct and overt U.S. military force.

The hallmark of CIA is that of objectivity and integrity. If our product ever begins to "grind axes" and argue for parochial interests, we have lost the purpose for which we were established.

DEFINITIONS

There are two very important terms involved in U. S. intelligence activities. One is "national security", a term which once justified a host of actions and which now lacks credibility. The other is "subversion", a term conjuring up the main threat in need of being met by counterintelligence.

Despite the ambiguities and the debasement of these terms, there would seem to be substance to both. To determine a reasonable, proper, and controlled sphere for future intelligence activities, someone--sometime--should define these terms. And the definition would best be done by outsiders rather than by those of us within the establishment who may have axes to grind.

COMMUNITY STRUCTURE

At this stage in the Spring of 1975, I would not try to define organization and structure for CIA and the rest of the intelligence community. Current investigations, if focused on right vs. wrong, and the limitations of intelligence activities, and the philosophy of American intelligence, will set a foundation on which to base the evolution into new and different organizational arrangements.

One can see a future in which all analysis elements in the community might be stitched into one production or organization. And one can see that all collection organizations could be merged into one. All of this could be accompanied by establishment of a super-coordinating authority resident in the White House.

But I do think it premature now to settle on any one form. One aspect in need of careful weighing is the appeal of effectiveness in combining functions. One must beware, however, of the potential monster that lurks in single, monolithic intelligence organizations.

Organization and Resources

The main change in Agency activities and organization since its origins relates to the impact of science and technology. Agency S&T initiatives and accomplishments are remarkable and constitute perhaps its greatest capability. Agency S&T has received more than a fair share of resource investment; it has always been headed by astute and visionary chiefs; and it has benefited from the infusion of talent from the outside in reaching objectives.

Clandestine activities--particularly "covert action"--have always received the lion's share of Agency resources and top-level Agency management concern. Covert action is less and less a tool of American foreign policy. This fact, combined with the impact of budget and personnel reductions in the past seven or eight years, has reduced the size of the Agency's clandestine services--proportionately more than other components. The clandestine arm remains heavily endowed, however, and it remains the component with the most clout and "pizazz" within the organization.

Analysis and intelligence production has for some time been recognized as the Agency's main purpose and the product--though often criticized--is generally accepted as objective, related to policy concerns, and, in the main, helpful. As emphasis has turned from covert action to analyses, however, there has been little shift of resources to the analysis function. The creative frontier-pushing that has marked Agency S&T has yet to become a hallmark of the intelligence directorate.

Most Directors of the Agency, at least in the past ten years, have identified their community-managing function as their most challenging and most have concentrated their efforts accordingly. The track record is fairly poor and his responsibility as community manager may be beyond meeting in practical terms.

The current Director has built an impressive Intelligence Community Staff, headed by a military flag-rank officer, and including a variety of talents and experts from various government agencies and industry. IC Staff work is broad-ranging and supra-Agency. It shows signs of being able to produce studies, data, and recommendations that can give the Director a chance to handle community-wide problems and issues.

The IC Staff, however, is regarded by most CIA leaders and components as a feckless paper-mill working on little of substance. One reason for this feeling is the view that the Agency, with its objectivity and status astride the community, should be tasked with studies of intelligence issues. To find themselves relegated to co-equal status with other units in the community comes hard to many CIA seniors. Found equally hard is the realization that in his role as community coordinator, a DCI must look beyond (perhaps even ignore!) the Agency in doing his job.

Here then is a picture of a problem in the DCI's two-hatted position. To make good on the community account, he cannot dwell on Agency business; if he does he defaults on community responsibilities and his position becomes untenable.

The situation is not helped if he, as has been the case traditionally, has a designated Deputy named from the military services. The time has come to re-look the tradition. A DDCI must be as strong and competent as a DCI and his origin should not be as important as his competence. A DCI needs a Deputy who can be a true associate in administering and operating Agency or community business.

Ability to delegate responsibility (and improve internal oversight controls) would also seem to argue for restoration of the Number Three, Executive Director function, which was a feature of Agency organization from 1962 to 1973. Administering the Agency and coordinating the Community are tasks too large for a DCI without a fully functioning Deputy and/or Chief of Staff.

The Agency's General Counsel in recent years has become increasingly a force for issuing judgments about the wisdom or propriety of proposed Agency projects or programs. In earlier times and through most of the Agency's existence, he has served primarily to facilitate and to find ways to realize the proposal. The current tendency needs encouragement; the General Counsel's role as an Agency conscience is an essential one.

Under a wave of personnel reductions, budgetary cuts, and management preferences, the role of the Inspector General has changed in the past two years. The Staff is an exceedingly small one and the past responsibility to make periodic surveys of Agency components has lapsed, save for ad hoc contingencies.

There is no doubt that the past surveys were too often pro forma and were aimed at organizational aspects rather than at problems that knew no organizational boundaries.

The current emphasis on Agency reviews and internal oversight argues plainly for re-establishment of a strong, multi-talented IG Staff. Emphasis in future IG reviews should probably be put on wide-ranging problem issues (e.g., ADP, compartmentation, effectiveness-improvement, etc.) rather than on the status of individual components.

Leadership

The Agency's top leaders now, following a heavy wave of retirements of long-time seniors in the 1970's, are for the most part the deputies and the Number Three of the departed seniors. Many are superbly qualified by their terms of duty and their apprenticeships. With the exception of the IC Staff and the S&T directorate, there has been little infusion of outside talent at senior levels. To be sure, in an Agency under fire and subject to continuing public controversy, it is not easy to attract senior talent to the place even for a short time. The situation is critically affected, too, by the present ceiling on government executive pay.

Very clearly, it is necessary to redress this situation. There must be no tendency to permanent in-breeding within CIA or to monolithic institutional attitudes. Leavening from the outside is a requirement. The full resources of the Executive Department, including the Civil Service Commission, should be concentrated on this requirement.

Designating several of the top Agency positions as of "exalted" status, including perhaps a requirement for Senate confirmation, could provide some incentive while at the same time recognizing the importance of having the best possible senior management competence within the Agency.

Executive Oversight

Agency spokesmen are fond of pointing to PFIAB as a body of America's best who keep all our activities under continuing scrutiny.

It is true that nothing is denied to PFIAB, but it is also true that they don't ask all conceivable questions.

An impartial review of the record would show PFIAB's interests tend to be related to lacunae or ineffective aspects of intelligence activities. This is constructive, of course, but most PFIAB recommendations, as a result, deal with urging U.S. intelligence to do more, to do better, to acquire more resources for one function or another.

Oversight in terms of propriety and the fitting of activities to charters has not been a PFIAB function.

There can be obvious profit to build such an oversight capacity into PFIAB. Why not a small group of competent, full-time auditor/inspectors to be assigned to PFIAB to delve deeply into questions of intelligence activities and their propriety, legality, and controls?

One primary reason, presumably, for improving oversight controls of CIA and other intelligence units is to reassure the public that such elements are not out of control. For this reason, it would appear worthwhile for some kind of annual public report from PFIAB concerning the state of U.S. intelligence. Such a report, as a supplement to a classified report to the President, could be of major importance to the attitudes of the Congress and the public--to say nothing of the major effect it would have on the internal health of American intelligence components.

More could be done, on similar lines, by OMB. It is true, as the Agency claims, that OMB examination of CIA projects and programs is deep and detailed. Surely OMB examiners have a role to carry out in spot-lighting activities they may deem to be of questionable nature. Advice to the DCI or the Director, OMB (or both) would be a constructive thing to provide. When such advice is next provided, it will be the first time in my recollection. The OMB needs to consider this to be a systematic part of its job in examining Agency programs.

I very much like Mason Cargill's suggestion that there be a "40 Committee" to deal with domestic intelligence activities.

Such a body, rather than a separate quasi-judicial Commission, would be my choice to establish standards and sanctions

for domestic operations, including privacy and the holding of files on Americans. My concern with a Commission is that it would dilute authority and add to the independence of intelligence agencies.

Legislative Oversight

Most observers in and out of the Agency agree there is much room for improvement. It is not difficult to conclude that a joint committee is required. But there is more than mere oversight of the Agency involved. The real issue is one to be resolved between the Executive and Legislative branches. How can secure means be devised to keep the Congress advised of secret foreign policy actions without eroding or ceding Executive powers?

Whatever the answer, it should be possible to arrange for regular provision to appropriate Congressional bodies most of the finished intelligence product of the community--the judgments, assessments, estimates and summaries.

Assuming security can be protected, there should be a strengthening of the Federal fabric if Executive and Legislative are working from a similar data base.

MAKE US LIKE OTHER FOLK

CIA suffers (in the public image) from its exclusivity and from its exceptions to some norms that govern others.

The first thing I would do would be to: a) normalize the budget process (recognizing that precise, programmatic breakdowns in public print simply are not possible;) and b) subject CIA expenditures to GAO auditing processes (making some exceptions to the usual GAO broadcasting of its audit results.)

Both of these would require development of a detailed modus operandi. Surely, legal and accounting technicians could provide the wherewithal.

We in CIA need greater exposure in other parts of government to lessen our isolation and to make our expertise more widely available. New arrangements between Executive and Legislature should be sought to permit wider Congressional access to finished intelligence products. Production of unclassified intelligence reports, now taking place occasionally, should be encouraged and expanded.